



Yucaipa Valley Water District

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January 25, 2007

Ms. Shahla Farahnak
State Water Resources Control Board
Division of Financial Assistance
1001 "I" Street, 16th Floor
Sacramento, CA 95814

Subject: Support for Addition Funding of Prop 50 Step 2 Applications

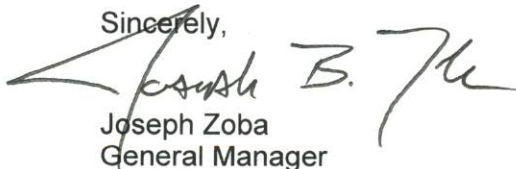
Dear Ms. Billington:

The Yucaipa Valley Water District supports the SWRCB staff's and the Department of Water Resources recent proposal that additional funding be made available to Prop 50 Step 2 applicants beyond the currently funded seven projects. Yucaipa is included in SAWPA's Step 2 application and believes that such additional funding makes sense in the current situation.

The passage of Proposition 84 and its significant monies dedicated to Integrated Resource Plan implementation, the large investment in time and effort invested by the agencies and applicants to date, the strength and value to the state of the remaining unfunded Step 2 proposals, and the current North/South funding imbalance under the program speak to the wisdom of providing addition funding. These remaining Step 2 proposals are largely ready for implementation and moving forward now will mitigate the effects of cost escalation we are all seeing on capital projects due to global competition for basic construction materials.

We urge the SWRCB and the Department to grant the additional funds to remaining Step 2 projects as proposed.

Sincerely,



Joseph Zoba
General Manager

cc. Tracie Billington, DWR

Directors and Officers

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